

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814

**IMPLEMENTATION COMMITTEE MINUTES**

September 9, 2005

Capitol East End Complex
1500 Capital Avenue, Rooms 72.149B & 72.148C
Sacramento, CA

Members Present

Mavonne Garrity, SAB
Dave Zian, OPSC
Lettie Boggs, CASBO (Alternate for John Palmer)
Constantine Baranoff, SSD
William Cornelison, CCSESA
Debra Pearson, SSDA
Dennis Dunston, CEFPI

Mark DeMan, LAUSD
Walt Schaff, DOF (Alternate for Blake Johnson)
Fred Yeager, CDE
Eric Hall, CASH
Dennis Bellet, DSA
Brian Wiese, AIA

Members Absent

Jay Hansen, SBCTC

Gary Gibbs, CBIA

The meeting was called to order at 9:43 a.m. with 13 members present and 2 members absent. The Chair acknowledged Lettie Boggs as an alternate for John Palmer, CASBO and Walt Schaff as an alternate for Blake Johnson, DOF.

The question from a committee member regarding the minutes from the July 8, 2005 meeting was clarified. The question pertained to the phrase "consensus" being used in three sections of the minutes. The committee member felt there was not a consensus reached for those issues. The Chair stated staff would make note of the concern in the September 9, 2005 minutes.

Minutes from the August 5, 2005 meeting were approved as presented.

FINANCIAL HARDSHIP EQUITY ISSUES

The Chair opened the discussion by reviewing the comments from the last Implementation Committee meeting that were taken into consideration by staff, but did not result in changes to the proposed regulations. The first comment was in regards to the date of occupancy being used as the indicator of project completion in lieu of the 100% final expenditure report. Mr. Dave Zian clarified that there are instances when schools are occupied prior to actual punch lists and change orders being completed; therefore, the date of occupancy is not a true indicator of project completion. The other comment was in regards to the proposal to allow districts to spend beyond the SFP modernization grants utilizing local revenue sources. It was clarified that the original intent of the regulatory change was to allow districts to build complete schools, under the SFP new construction program, containing minimum essential facilities.

The discussion moved forward with the Chair explaining that the one year encumbrance period has been adjusted to six months. The new six month time frame will allow staff to disallow questionable encumbrances within the six month time frame. On the other hand, it will allow districts to appeal the status of the encumbrance with the final decision determined by the State Allocation Board (SAB). It was agreed upon that the new six month starting date would be pushed back to November 1, 2005. It was also noted by the Chair that the proposed regulations amending the one year time frame to the six month time frame would be drafted and posted on the website.

Next, Mr. Zian explained some of the additional changes that occurred in the proposed regulations since the last Implementation Committee meeting. These consist of allowing districts to encumber and expend funds on previously approved non-financial hardship projects and to include modernization projects in the annual financial hardship reviews and adjustments to financial hardship grants.

The Chair announced that the staff recommendations for proposed regulations would be taken to the September 28, 2005 SAB meeting.

It was noted by several committee members that they do not agree with the changes to the financial hardship program and they would like their concerns expressed to the SAB.

ADJOURNMENT AND ANNOUNCEMENT OF THE NEXT MEETING

The Chair announced that the next meeting would be held on Friday, October 7, 2005 at 9:30 a.m. and would be held at the Legislative Office Building located at 1020 N Street, Room 100, in Sacramento, California. The meeting was adjourned at 11:28 p.m.